



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangerter
Governor

Dee C. Hansen
Executive Director

Dianne R. Nielson, Ph.D.
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

October 28, 1991

Valley Bank & Trust
185 South State Street
Salt Lake City, Utah 84111

Dear Sirs:

Re: Depository Account for Basic Manufacturing & Technologies of Utah, Inc.,
Account No. 34 02 467 0, Keigley Quarry Mine, M/049/001, Utah County,
Utah

Attached hereto is a photocopy of a letter dated March 10, 1989,
regarding the above-referenced account.

On October 24, 1991, the Board of Oil, Gas and Mining approved a new
bond that covers the Keigley Quarry Mine, operated by Geneva Steel (the
successor by name change to Basic Manufacturing and Technologies of Utah,
Inc.).

Pursuant to paragraph 4 of the Letter, I am authorizing withdrawal of
all funds in the Depository Account and transfer of those funds with any
accrued interest directly to Geneva Steel at the following address:

Geneva Steel
P. O. Box 2500
Provo, Utah 84603

Attention: Paul Ludwig

Would you please provide me with copies of the necessary correspondence
reflecting that the transfer has been made.

Thank you for your services and assistance.

Best regards,

Dianne R. Nielson, Director
Utah Division of Oil, Gas and Mining



GENEVA STEEL

P.O. BOX 2500
PROVO, UTAH 84603

TELEPHONE (801) 227-9000
FAX (801) 227-9090

March 10, 1989

Valley Bank & Trust Company
185 South State Street
Salt Lake City, UT 84111

State of Utah
Division of Oil, Gas & Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1230

Re: -Depository Account for Basic Manufacturing and
Technologies of Utah, Inc., dba Geneva Steel Company
Account No. _____, Keigley Quarry Mine
Permit No. M/049/001

Gentlemen:

Basic Manufacturing and Technologies, Inc., dba Geneva Steel Company ("Geneva") has entered into a Reclamation Contract (the "Reclamation Contract") with the Division of Oil, Gas and Mining (DOGM) pursuant to which Geneva has agreed to provide bonding in the amount of \$505,000.00 to secure performance of reclamation of the Keigley Quarry Mine.

The purpose of this letter is to establish the basis for a depository account that will serve as collateral for the obligations of Geneva under the Reclamation Contract.

Accordingly, we request your agreement with the following:

1. Account # _____ at Valley Bank (the "Depository Account") will be operated and maintained exclusively for the benefit of DOGM.

2. Geneva will deposit the sum of \$505,000.00 into the Depository Account.

3. All interest accruing on the funds in the Depository Account shall be distributed monthly by Valley Bank to Geneva in accordance with instructions from Geneva.

4. Withdrawals from the Account may only be made by signature of the person purporting to be the Director of DOGM, verified by the Attorney General or any Assistant Attorney General of the State of Utah.

5. DOGM may make withdrawals from the Depository Account only as provided in the Reclamation Contract or as appropriate to effect an approved refund of all or part of the funds therein to Geneva, but Valley Bank shall have no obligation to establish whether any withdrawal of DOGM is permitted by the Reclamation Contract or otherwise.

6. Upon certification by DOGM of completion of reclamation by Geneva as provided in paragraph 5 of the Reclamation Contract or upon approval by the Board of a substitute bond, DOGM shall withdraw all funds in the Depository Account and make transfer thereof to Geneva.

If the foregoing provisions are satisfactory to you, please so indicate by signing the form of acceptance set forth below.

Very truly yours,

BASIC MANUFACTURING AND TECHNOLOGIES
OF UTAH, INC.

By
Its

Ernest J. Tallen
D. W. Lee & Co.


ACCEPTED AND AGREED:

VALLEY BANK & TRUST COMPANY

By

Its

Date:


 Vice President
 3/16/89

ACCEPTED AND AGREED:

UTAH DIVISION OF OIL, GAS
AND MINING

By

Its

Date-

By Dianne K. Nielson
Its Director
Date 3/23/89